

LEGISLATIVE COUNSEL
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AUTHORIZING APPROPRIATIONS, FISCAL YEAR 1974, FOR MILITARY
PROCUREMENT, RESEARCH AND DEVELOPMENT, ACTIVE-DUTY AND
RESERVE STRENGTH, MILITARY TRAINING STUDENT LOADS, AND
FOR OTHER PURPOSES

OCTOBER 16, 1973.—Ordered to be printed

Mr. SYMINGTON, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 9286]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9286) to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each reserve component of the Armed Forces and the military training student loads, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1974 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons as authorized by law, in amounts as follows:

Aircraft

For aircraft: for the Army, \$168,000,000; for the Navy and the Marine Corps, \$2,912,600,000 of which amount not to exceed \$693,100,000 shall be available for an F-14 aircraft program of not less than 50 aircraft, subject to no increase being made in the ceiling price of

\$325,000,000 specified in the fiscal year 1974 F-14 contract between the Navy and the primary airframe contractor, except in accordance with the terms of such contract, including the clause providing for normal technical changes; for the Air Force, \$2,964,635,000: Provided, That \$158,800,000 of the funds available to the Air Force for aircraft procurement shall be available only for the procurement of twelve F-111F aircraft.

Missiles

For missiles: for the Army \$565,000,000; for the Navy, \$680,200,000; for the Marine Corps, \$32,300,000; for the Air Force, \$1,519,600,000.

Naval Vessels

For naval vessels: for the Navy, \$3,737,000,000, of which sum \$79,000,000 shall be only for the long lead-time items for the DLGN-41 and DLGN-42. The contracts for the DLGN-41 and the DLGN-42 shall be entered into as soon as practicable unless the President fully advises the Congress that their construction is not in the national interest.

Tracked Combat Vehicles

For tracked combat vehicles: for the Army, \$193,300,000; for the Marine Corps, \$46,200,000.

Torpedoes

For torpedoes and related support equipment: for the Navy, \$203,300,000.

Other Weapons

For other weapons: for the Army, \$44,700,000; for the Navy, \$37,100,000; for the Marine Corps, \$700,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1974 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, \$1,983,758,000;

For the Navy (including the Marine Corps), \$2,670,749,000, of which amount \$60,900,000 is authorized only for the Surface Effect Ships program;

For the Air Force, \$3,034,800,000; and

For the Defense Agencies, \$505,578,000, of which \$24,600,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

TITLE III--ACTIVE FORCES

SEC. 301. (a) For the fiscal year beginning July 1, 1973, and ending June 30, 1974, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 803,806;

- (2) *The Navy*, 566,320;
- (3) *The Marine Corps*, 196,419;
- (4) *The Air Force*, 666,357.

(b) *The end strength for active duty personnel prescribed in subsection (a) of this section for the fiscal year ending June 30, 1974, shall be reduced by 43,000. Such reduction shall be apportioned among the Army, Navy, Marine Corps, and Air Force in such manner as the Secretary of Defense shall prescribe, except that in applying any portion of such reduction to any military department, the reduction shall be applied to the maximum extent practicable to the support forces of such military department. The Secretary of Defense shall report to the Congress within 60 days after the date of enactment of this Act on the manner in which this reduction is to be apportioned among the military departments and among the mission categories described in the Military Manpower Requirements Report. This report shall include the rationale for each reduction.*

(c) *The Committee on Armed Services of the House shall report to the House by April 1, 1974, a detailed and independent study on the advisability of maintaining our present military commitment to Europe in view of the current economic and military situation in Europe.*

SEC. 302. In computing the authorized end strength for the active duty personnel of any component of the Armed Forces for any fiscal year, there shall not be included in the computation members of the Ready Reserve of such component ordered to active duty under the provisions of section 673 of title 10, United States Code, members of the Army National Guard or members of the Air National Guard called into Federal service under section 3500 or 8500, as the case may be, of title 10, United States Code, members of the militia of any State called into Federal service under chapter 15 of title 10, United States Code, or persons ordered to active duty for training.

SEC. 303. (a) Section 673 of title 10, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(d) Whenever one or more units of the Ready Reserve are ordered to active duty, the President shall, on the first day of the second fiscal year quarter immediately following the quarter in which the first unit or units are ordered to active duty and on the first day of each succeeding six-month period thereafter, so long as such unit is retained on active duty, submit a report to the Congress regarding the necessity for such unit or units being ordered to and retained on active duty. The President shall include in each such report a statement of the mission of each such unit ordered to active duty, an evaluation of such unit's performance of that mission, where each such unit is being deployed at the time of the report, and such other information regarding each unit as the President deems appropriate."

(b) *The amendment made by subsection (a) of this section shall be effective with respect to any unit of the Ready Reserve ordered to active duty on or after the date of enactment of this Act.*

TITLE IV—RESERVE FORCES

SEC. 401. For the fiscal year beginning July 1, 1973, and ending June 30, 1974, the Selected Reserve of each Reserve component of the

Armed Forces will be programmed to attain an average strength of not less than the following:

- (1) *The Army National Guard of the United States, 379,144;*
- (2) *The Army Reserve, 232,591;*
- (3) *The Naval Reserve, 119,231;*
- (4) *The Marine Corps Reserve, 39,735;*
- (5) *The Air National Guard of the United States, 92,291;*
- (6) *The Air Force Reserve, 49,773;*
- (7) *The Coast Guard Reserve, 11,300.*

SEC. 402. The average strength prescribed by section 401 of this title for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

TITLE V—MILITARY TRAINING STUDENT LOADS

SEC. 501. (a) For the fiscal year beginning July 1, 1973, and ending June 30, 1974, each component of the Armed Forces is authorized an average military training student load as follows:

- (1) *The Army, 89,200;*
- (2) *The Navy, 75,800;*
- (3) *The Marine Corps, 28,000;*
- (4) *The Air Force, 55,100;*
- (5) *The Army National Guard of the United States, 19,100;*
- (6) *The Army Reserve, 59,900;*
- (7) *The Naval Reserve, 17,400;*
- (8) *The Marine Corps Reserve, 6,700;*
- (9) *The Air National Guard of the United States, 4,600;*
- (10) *The Air Force Reserve, 24,300;*

(b) The average military training student loads for the Army, the Navy, the Marine Corps, and the Air Force prescribed in subsection (a) of this section for the fiscal year ending June 30, 1974, shall be reduced consistent with the overall reduction in manpower provided for in title III of this Act. Such reduction shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force in such manner as the Secretary of Defense shall prescribe.

TITLE VI—ANTI-BALLISTIC MISSILE PROGRAM— LIMITATIONS ON DEPLOYMENT

SEC. 601. None of the funds authorized by this or any other Act may be obligated or expended for the purpose of continuity or initiat-

ing deployment of an anti-ballistic-missile system at any site except Grand Forks Air Force Base, Grand Forks, North Dakota. Nothing in this section shall be construed as a limitation on the obligation or expenditure of funds in connection with the dismantling of anti-ballistic-missile system sites or the cancellation of work at Whiteman Air Force Base, Knob Noster, Missouri, Francis E. Warren Air Force Base, Cheyenne, Wyoming, and Malmstrom Air Force Base, Great Falls, Montana.

TITLE VII—STUDY COMMISSION

DEFENSE MANPOWER COMMISSION

SEC. 701. (a) There is hereby established a commission to be known as the Defense Manpower Commission (hereinafter in this title referred to as the "Commission").

(b) The Commission shall be composed of seven members appointed as follows:

(1) One member to be appointed by the majority leader of the Senate;

(2) One member to be appointed by the minority leader of the Senate;

(3) One member to be appointed by the majority leader of the House of Representatives;

(4) One member to be appointed by the minority leader of the House of Representatives; and

(5) Three members to be appointed by the President.

No person may be appointed to the Commission who is a civilian officer or employee of the Federal Government; and no person may be appointed who is serving on active duty with the Armed Forces of the United States.

(c) The Commission shall elect a Chairman and Vice Chairman from among its members.

(d) Four members of the Commission shall constitute a quorum. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

DUTIES OF THE COMMISSION

SEC. 702. It shall be the duty of the Commission to conduct a comprehensive study and investigation of the overall manpower requirements of the Department of Defense on both a short-term and long-term basis with a view to determining what the manpower requirements are currently and will likely be over the next ten years, and how manpower can be more effectively utilized in the Department of Defense. In carrying out such study and investigation the Commission shall give special consideration to—

(1) the effectiveness with which civilian and active duty personnel are utilized, particularly in headquarters staffing and in the number of support forces in relation to combat forces;

(2) whether the pay structure, including fringe benefits, is adequate and equitable at all levels;

(3) the distribution of grades within each armed force and the requirements for advancement in grade;

(4) the cost-effectiveness and manpower utilization of the United States Armed Forces as compared with the armed forces of other countries;

(5) whether the military retirement system is consistent with overall Department of Defense requirements and is comparable to civilian retirement plans;

(6) the methods and techniques used to attract and recruit personnel for the armed forces, and whether such methods and techniques might be improved or new and more effective ones utilized;

(7) the implications for the ability of the armed forces to fulfill their mission as a result of the change in the socio-economic composition of military enlistees since the enactment of new recruiting policies provided for in Public Law 92-129 and the implications for national policies of this change in the composition of the armed forces; and

(8) such other matters related to manpower as the Commission deems pertinent to the study and investigation authorized by this title.

POWERS OF THE COMMISSION

SEC. 703. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof may, for the purpose of carrying out the provisions of this title, hold such hearings and sit and act at such times and places as the Commission or such subcommittee or member may deem advisable.

(b) The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purposes of this title. Each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

(c) The Commission shall establish appropriate measures to insure the safeguarding of all classified information submitted to or inspected by it in carrying out its duties under this title.

COMPENSATION OF THE COMMISSION

SEC. 704. Each member of the Commission shall receive an amount equal to the daily rate paid a GS-18 under the General Schedule contained in section 5332 of title 5, United States Code (including travel-time), during which he is engaged in the actual performance of his duties as a member of the Commission. Members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

STAFF OF THE COMMISSION

SEC. 705. (a) The Commission shall appoint an Executive Director and such other personnel as it deems advisable without regard to the

provisions of title 5, United States Code, governing appointments in the competitive service, and shall fix the compensation of such personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates; but personnel so appointed may not receive compensation in excess of the rate authorized for GS-18 by section 5332 of such title 5.

(b) The Commission is authorized to procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the daily rate paid a person occupying a position at GS-18.

(c) The Commission is authorized to enter into contracts with public agencies, private firms, institutions, and individuals for the conduct of research and surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

ADMINISTRATIVE SERVICES

SEC. 706. The Administrator of the General Services Administration shall provide administrative services for the Commission on a reimbursable basis.

REPORTS OF THE COMMISSION

SEC. 707. (a) The Commission shall, from time to time, submit interim reports to the Congress and to the President regarding its duties under this title, and shall include in any such reports its findings together with such recommendations for administrative or legislative action as the Commission considers advisable.

(b) The Commission shall submit its final report to the Congress and to the President not more than twenty-four months after the appointment of the Commission. Such report shall include all interim reports and the final findings and recommendations of the Commission.

(c) The Commission shall cease to exist sixty days after the submission of its final report.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 708. There are authorized to be appropriated to the Commission a sum not to exceed \$2,500,000 to carry out the provisions of this title.

TITLE VIII—GENERAL PROVISIONS

SEC. 801. Subsection (a) (1) of section 401 of Public Law 89-367, approved March 15, 1966 (80 Stat. 37), as amended, is hereby amended to read as follows:

“(a) (1) Not to exceed \$1,126,000,000 of the funds authorized for appropriation for the use of the Armed Forces of the United States under this or any other Act are authorized to be made available for their stated purposes to support: (A) Vietnamese and other free world forces in support of Vietnamese forces, (B) local forces in Laos; and for related costs, during the fiscal year 1974 on such terms and conditions as the Secretary of Defense may determine. None of the funds appropriated to or for the use of the Armed Forces of the United States may be used for the purpose of paying any overseas allowance,

per diem allowance, or any other addition to the regular base pay of any person serving with the free world forces in South Vietnam if the amount of such payment would be greater than the amount of special pay authorized to be paid, for an equivalent period of service, to members of the Armed Forces of the United States (under section 310 of title 37, United States Code) serving in Vietnam or in any other hostile fire area, except for continuation of payments of such additions to regular base pay provided in agreements executed prior to July 1, 1970. Nothing in clause (A) of the first sentence of this paragraph shall be construed as authorizing the use of any such funds to support Vietnamese or other free world forces in actions designed to provide military support and assistance to the Government of Cambodia or Laos: Provided, That nothing contained in this section shall be construed to prohibit support of actions required to insure the safe and orderly withdrawal or disengagement of United States forces from Southeast Asia, or to aid in the release of Americans held as prisoners of war."

Sec. 802. (a) The amount of \$28,400,000 authorized to be appropriated by this Act for the development and procurement of the C-5A aircraft may be expended only for the reasonable and allocable direct and indirect costs incurred by the prime airframe contractor under a contract entered into with the United States to carry out the C-5A aircraft program. No part of such amount may be used for—

- (1) direct costs of any other contract or activity of the prime contractor;*
- (2) profit on any materials, supplies, or services which are sold or transferred between any division, subsidiary, or affiliate of the prime contractor under the common control of the prime contractor and such division, subsidiary, or affiliate;*
- (3) bid and proposal costs, independent research and development costs, and the cost of other similar unsponsored technical effort; or*
- (4) depreciation and amortization costs in excess of \$1,700,000 on property, plant, or equipment.*

Any of the costs referred to in the preceding sentence which would otherwise be allocable to any work funded by such \$28,400,000 may not be allocated to other portions of the C-5A aircraft contract or to any other contract with the United States, but payments to C-5A aircraft subcontractors shall not be subject to the restriction referred to in such sentence.

(b) Any payments from such \$28,400,000 shall be made to the prime contractor through a special bank account from which such contractor may withdraw funds only after a request containing a detailed justification of the amount requested has been submitted to and approved by the contracting officer for the United States. All payments made from such special bank account shall be audited by the Defense Contract Audit Agency of the Department of Defense and, on a quarterly basis, by the General Accounting Office. The Comptroller General shall submit to the Congress not more than thirty days after the close of each quarter a report on the audit for such quarter performed by the General Accounting Office pursuant to this subsection.

(c) The restrictions and controls provided for in this section with respect to the \$28,400,000 referred to in subsections (a) and (b) of this section shall be in addition to such other restrictions and controls

as may be prescribed by the Secretary of Defense or the Secretary of the Air Force.

SEC. 803. (a) Chapter 4 of title 10, United States Code, is amended by adding the following new sections after section 137 and inserting corresponding items in the chapter analysis:

“§ 138. Secretary of Defense: Annual authorization of appropriations for armed forces

“(a) No funds may be appropriated for any fiscal year to or for the use of any armed force or obligated or expended for—

- “(1) procurement of aircraft, missiles, or naval vessels;
- “(2) any research, development, test, or evaluation, or procurement or production related thereto;
- “(3) procurement of tracked combat vehicles;
- “(4) procurement of other weapons; or
- “(5) procurement of naval torpedoes and related support equipment;

unless funds therefor have been specifically authorized by law.

“(b) Congress shall authorize the personnel strength of the Selected Reserve of each reserve component of the armed forces. No funds may be appropriated for any fiscal year for the pay and allowances of members of any reserve component of the armed forces unless the personnel strength of the Selected Reserve of that reserve component for that fiscal year has been authorized by law.

“(c) (1) Congress shall authorize the end strength as of the end of each fiscal year for active-duty personnel for each component of the armed forces. No funds may be appropriated for any fiscal year to or for the use of the active-duty personnel of any component of the armed forces unless the end strength for active-duty personnel of that component for that fiscal year has been authorized by law.

“(2) Congress shall authorize the end strength as of the end of each fiscal year for civilian personnel for each component of the Department of Defense. No funds may be appropriated for any fiscal year to or for the use of the civilian personnel of any component of the Department of Defense unless the end strength for civilian personnel of that component for that fiscal year has been authorized by law.

“(3) The Secretary of Defense shall submit to Congress a written report, not later than February 15 of each fiscal year, recommending the annual active duty end strength level for each component of the armed forces for the next fiscal year and the annual civilian personnel end strength level for each component of the Department of Defense for the next fiscal year, and shall include in that report justification for the strength levels recommended and an explanation of the relationship between the personnel strength levels recommended for that fiscal year and the national security policies of the United States in effect at the time. The justification and explanation shall specify in detail for all military forces, including each land force division, carrier and other major combatant vessel, air wing, and other comparable unit, the—

- “(A) unit mission and capability;
- “(B) strategy which the unit supports; and
- “(C) area of deployment and illustrative areas of potential deployment, including a description of any United States commitment to defend such areas.

It shall also include a detailed discussion of (i) the manpower required for support and overhead functions within the armed forces and the Department of Defense, (ii) the relationship of the manpower required for support and overhead functions to the primary combat missions and support policies, and (iii) the manpower required to be stationed or assigned to duty in foreign countries and aboard vessels located outside the territorial limits of the United States, its territories, and possessions.

"(d) (1) Congress shall authorize the average military training student loads for each component of the armed forces. Such authorization is not required for unit or crew training student loads, but is required for student loads for the following individual training categories—

"(A) recruit and specialized training;

"(B) flight training;

"(C) professional training in military and civilian institutions; and

"(D) officer acquisition training.

No funds may be appropriated for any fiscal year for training military personnel in the training categories described in clauses (A)–(D) of any component of the armed forces unless the average student load of that component for that fiscal year has been authorized by law.

"(2) The Secretary of Defense shall submit to Congress a written report, not later than March 1 of each fiscal year, recommending the average student load for each category of training for each component of the armed forces for the next three fiscal years, and shall include in that report justification for, and explanation of, the average student loads recommended.

"§ 139. Secretary of Defense: weapons development and procurement schedules for armed forces; reports; supplemental reports

"(a) The Secretary of Defense shall submit to Congress each calendar year, at the same time the President submits the budget to Congress under section 11 of title 31, a written report regarding development and procurement schedules for each weapon system for which fund authorization is required by section 138(a) of this title, and for which any funds for procurement are requested in that budget. The report shall include data on operational testing and evaluation for each weapon system for which funds for procurement are requested (other than funds requested only for the procurement of units for operational testing and evaluation, or long lead-time items, or both). A weapon system shall also be included in the annual report required under this subsection in each year thereafter until procurement of that system has been completed or terminated, or the Secretary of Defense certifies, in writing, that such inclusion would not serve any useful purpose and gives his reasons therefor.

"(b) The Secretary of Defense shall submit a supplemental report to Congress not less than thirty, or more than sixty, days before the award of any contract, or the exercise of any option in a contract, for the procurement of any such weapon system (other than procurement of units for operational testing and evaluation, or long lead-time items, or both), unless—

"(1) the contractor or contractors for that system have not yet been selected and the Secretary of Defense determines that the submission of that report would adversely affect the source selection process and notifies Congress in writing, prior to such award, of that determination, stating his reasons therefor; or

"(2) the Secretary of Defense determines that the submission of that report would otherwise adversely affect the vital security interests of the United States and notifies Congress in writing of that determination at least thirty days prior to the award, stating his reasons therefor.

"(c) Any report required to be submitted under subsection (a) or (b) shall include detailed and summarized information with respect to each weapon system covered, and specifically include, but not be limited to—

"(1) the development schedule, including estimated annual costs until development is completed;

"(2) the planned procurement schedule, including the best estimate of the Secretary of Defense of the annual costs and units to be procured until procurement is completed; and

"(3) to the extent required by the second sentence of subsection (a), the result of all operational testing and evaluation up to the time of the submission of the report, or, if operational testing and evaluation has not been conducted, a statement of the reasons therefor and the results of such other testing and evaluation as has been conducted.

"(d) In the case of any weapon system for which procurement funds have not been previously requested and for which funds are first requested by the President in any fiscal year after the Budget for that fiscal year has been submitted to Congress, the same reporting requirements shall be applicable to that system in the same manner and to the same extent as if funds had been requested for that system in that budget."

(b) The following laws are repealed:

(1) section 412 of the Act of August 10, 1959, Public Law 86-149 (73 Stat. 322), as amended by section 2 of the Act of April 27, 1962, Public Law 87-436 (76 Stat. 55); section 610 of the Act of November 7, 1963, Public Law 88-174 (77 Stat. 329); section 304 of the Act of June 11, 1965, Public Law 89-37 (79 Stat. 128); section 6 of the Act of December 1, 1967, Public Law 90-168 (81 Stat. 526); section 405 of the Act of November 19, 1969, Public Law 91-121 (83 Stat. 207); sections 505 and 509 of the Act of October 7, 1970, Public Law 91-441 (84 Stat. 912, 913); section 701 of the Act of September 28, 1971, Public Law 92-129 (85 Stat. 362); and sections 302 and 604 of the Act of September 26, 1972, Public Law 92-436 (86 Stat. 736, 739); and

(2) section 506 of the Act of November 17, 1971, Public Law 92-156 (85 Stat. 429).

SEC. 804. Section 3(b) of Public Law 92-425 (86 Stat. 711) is amended by—

(1) striking out in the first sentence "before the first anniversary of that date" and inserting in lieu thereof "at any time within eighteen months after such date", and

(2) striking out in the second sentence "before the first anniversary of" and inserting in lieu thereof "at any time within eighteen months after".

SEC. 805. Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other Act may be obligated or expended for the purpose of carrying out directly or indirectly any economic or military assistance for or on behalf of North Vietnam unless specifically authorized by Act of Congress enacted after the date of the enactment of this Act.

SEC. 806. (a) The first section of the Act entitled "An Act to authorize the making, amendment, and modification of contracts to facilitate the national defense", approved August 28, 1958 (72 Stat. 972; 50 U.S.C. 1431), is amended by adding at the end thereof the following: "The authority conferred by this section may not be utilized to obligate the United States in any amount in excess of \$25,000,000 unless the Committees on Armed Services of the Senate and the House of Representatives have been notified in writing of such proposed obligation and 60 days of continuous session of Congress have expired following the date on which such notice was transmitted to such Committees and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such obligation. For purposes of this section, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 60-day period."

(b) (1) The second sentence of section 302 of the Defense Production Act of 1950 (50 App. U.S.C. 2092) is amended by inserting "(1)" immediately after "except that" and by striking out the period at the end of such section and inserting in lieu thereof a comma and the following: "and (2) no such loan may be made in an amount in excess of \$25,000,000 unless the Committees on Armed Services of the Senate and the House of Representatives have been notified in writing of such proposed loan and 60 days of continuous session of Congress have expired following the date on which such notice was transmitted to such Committees and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such loan."

(2) Section 302 of such Act is further amended by adding at the end thereof a new sentence as follows: "For purposes of this section, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 60-day period."

(c) Section 2307 of title 10, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(d) Payments under subsection (a) in the case of any contract, other than partial, progress, or other payments specifically provided for in such contract at the time such contract was initially entered into, may not exceed \$25,000,000 unless the Committees on Armed Services of the Senate and the House of Representatives have been notified in writing of such proposed payments and 60 days of continuous session of Congress have expired following the date on which such

notice was transmitted to such Committees and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such payments. For purposes of this section, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 60-day period."

(d) (1) Section 18(a) of the Military Selective Service Act (50 U.S.C. App. 468) is amended by inserting before the period at the end of the first sentence a comma and the following: "except that no order which requires payments thereunder in excess of \$25,000,000 shall be placed with any person, unless the Committees on Armed Services of the Senate and the House of Representatives have been notified in writing of such proposed order and 60 days of continuous session of Congress have expired following the date on which such notice was transmitted to such Committees and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such order."

(2) Section 18(a) of such Act is further amended by inserting after the first sentence thereof a new sentence as follows: "For purposes of the preceding sentence, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 60-day period."

(e) The amendments made by this section shall not affect the carrying out of any contract, loan, guarantee, commitment, or other obligation entered into prior to the date of enactment of this section.

SEC. 807. None of the funds authorized for appropriation to the Department of Defense pursuant to this Act shall be obligated under a contract entered into after the date of enactment of this Act under any multi-year procurement as defined in section 1-322 of the Armed Services Procurement Regulations (as in effect on September 26, 1972) where the cancellation ceiling for such procurement is in excess of \$5,000,000.

SEC. 808. The National Industrial Reserve Act of 1948 (62 Stat. 1225; 50 U.S.C. 451) is amended to read as follows: "That this Act may be cited as the 'Defense Industrial Reserve Act'.

"CONGRESSIONAL DECLARATION OF PURPOSE AND POLICY

"SEC. 2. In enacting this Act, it is the intent of Congress (1) to provide a comprehensive and continuous program for the future safety and for the defense of the United States by providing adequate measures whereby an essential nucleus of Government-owned industrial plants and an industrial reserve of machine tools and other industrial manufacturing equipment may be assured for immediate use to supply the needs of the Armed Forces in time of national emergency or in anticipation thereof; (2) that such Government-owned plants and such reserve shall not exceed in number or kind the minimum requirements for immediate use in time of national emergency, and that any such items which shall become excess to such requirements shall be dis-

posed of as expeditiously as possible; (3) that to the maximum extent practicable, reliance will be placed upon private industry for support of defense production; and (4) that machine tools and other industrial manufacturing equipment may be held in plant equipment packages or in a general reserve to maintain a high state of readiness for production of critical items of defense materiel, to provide production capacity not available in private industry for defense materiel, or to assist private industry in time of national disaster.

"DEFINITIONS

"SEC. 3. As used in this Act—

"(1) The term 'Secretary' means Secretary of Defense.

"(2) The term 'Defense Industrial Reserve' means (A) a general reserve of industrial manufacturing equipment, including machine tools, selected by the Secretary of Defense for retention for national defense or for other emergency use; (B) those industrial plants and installations held by and under the control of the Department of Defense in active or inactive status, including Government-owned/Government-operated plants and installations and Government-owned/contractor-operated plants and installations which are retained for use in their entirety, or in part, for production of military weapons systems, munitions, components, or supplies; (C) those industrial plants and installations under the control of the Secretary which are not required for the immediate need of any department or agency of the Government and which should be sold, leased, or otherwise disposed of.

"(3) The term 'plant equipment package' means a complement of active and idle machine tools and other industrial manufacturing equipment held by and under the control of the Department of Defense and approved by the Secretary for retention to produce particular defense materiel or defense supporting items at a specific level of output in the event of emergency.

"DUTIES OF THE SECRETARY

"SEC. 4. To execute the policy set forth in this Act, the Secretary is authorized and directed to—

"(1) determine which industrial plants and installations (including machine tools and other industrial manufacturing equipment) should become a part of the defense industrial reserve;

"(2) designate what excess industrial property shall be disposed of;

"(3) establish general policies and provide for the transportation, handling, care, storage, protection, maintenance, repair, rebuilding, utilization, recording, leasing and security of such property;

"(4) direct the transfer without reimbursement of such property to other Government agencies with the consent of such agencies;

"(5) direct the leasing of any of such property to designated lessees;

"(6) authorize the disposition in accordance with existing law of any of such property when in the opinion of the Secretary such property is no longer needed by the Department of Defense; and
"(7) authorize and regulate the lending of any such property to any nonprofit educational institution or training school whenever (A) the program proposed by such institution or school for the use of such property will contribute materially to national defense, and (B) such institution or school shall by agreement make such provision as the Secretary shall deem satisfactory for the proper maintenance and care of such property and for its return, without expense to the Government, upon request of the Secretary.

"REPORTS TO CONGRESS

"Sec. 5. The Secretary shall submit to the Congress on or before April 1 of each year a report detailing the action taken under this Act and containing such other pertinent information regarding the status of the defense industrial reserve as will enable the Congress to evaluate the administration of such reserve and the necessity or desirability for any legislative action regarding such reserve.

"AUTHORIZATION FOR APPROPRIATIONS

"Sec. 6. There are authorized to be appropriated such sums as the Congress may from time to time determine to be necessary to enable the Secretary to carry out the provisions of this Act."

Sec. 809. (a) The Secretary of Defense is authorized and directed to carry out a comprehensive study and investigation to determine the relative status of the Air Force Reserve and the Air National Guard of the United States. In carrying out such study and investigation the Secretary shall quantitatively measure the effects on full costs and on combat capability and readiness, as well as enumerate the military and other advantages and disadvantages of at least the following alternatives: (1) merging the Air Force Reserve into the Air National Guard structure; (2) merging the Air National Guard into the Air Force Reserve structure; and (3) retaining both the Air Force Reserve and the Air National Guard. Such study shall also consider and give equal weight to the modernization needs of the Air National Guard and the Air Force Reserve, including: (1) aircraft; (2) ground equipment; (3) facilities; (4) communication, and (5) other pertinent needs. It shall also consider the related problems of recruiting, training and retaining sufficient manpower of needed quality to man the authorized units.

(b) The Secretary of Defense shall submit to the President and the Congress a detailed report of such study and investigation not later than January 31, 1975. The Secretary shall include in such report a complete evaluation of each of the alternatives specified in subsection (a) above, and a detailed explanation of the facts and information which serve as the basis for any conclusions stated therein, and shall also include in such report such recommendations for legislative action as he deems appropriate.

Sec. 810. The Congress finds that the Department of Defense, which will use, at its present rate of consumption, an estimated twelve billion gallons of petroleum products in 1973, is one of the largest single consumers of petroleum products in the world, and that a reduction in consumption of such products by the Department of Defense would aid materially in meeting the energy shortages which the United States now faces. It is, therefore, declared to be the sense of the Congress that the Department of Defense should implement a 10 per centum reduction of its consumption of petroleum products except where such a reduction would adversely affect the national security or essential training exercises.

Sec. 811. (a) The Congress finds that in order to achieve a more equitable sharing of the costs and expenses arising from commitments and obligations under the North Atlantic Treaty, the President should seek, through appropriate bilateral and multilateral arrangements, payments sufficient in amount to offset fully any balance-of-payment deficit incurred by the United States during the fiscal year ending June 30, 1974, as the result of the deployment of forces in Europe in fulfillment of the treaty commitments and obligations of the United States. This balance-of-payment deficit shall be determined by the Secretary of Commerce in consultation with the Secretary of Defense and the Comptroller General of the United States.

(b) In the event that the North Atlantic Treaty Organization members (other than the United States) fail to offset the net balance-of-payment deficit described in subsection (a) prior to the expiration of eighteen months after the date of enactment of this section, no funds may be expended after the expiration of twenty-four months following the date of enactment of this section for the purpose of maintaining or supporting United States forces in Europe in any number greater than a number equal to the average monthly number of United States forces assigned to duty in Europe during the fiscal year ending June 30, 1974, reduced by a percentage figure equal to the percentage figure by which such balance-of-payment deficit during such fiscal year was not offset.

(c) The Congress further finds (1) that the other members of the North Atlantic Treaty Organization should, in order to achieve a more equitable sharing of the cost burden under the treaty, substantially increase their contributions to assist the United States in meeting those added budgeting expenses incurred as the result of maintaining and supporting United States forces in Europe, including, but not limited to, wages paid to local personnel by the United States, recurring expenses incurred in connection with the maintenance and operation of real property, maintenance facilities, supply depots, cold storage facilities, communications systems, and standby operations, and non-recurring expenses such as the construction and rehabilitation of plants and facilities; (2) that the amount paid by the United States in connection with the North Atlantic Treaty infrastructure program should be reduced to a more equitable amount; and (3) that the President should seek, through appropriate bilateral and multilateral arrangements, a substantial reduction of the amounts paid by the United States in connection with those matters described in (1) and (2) above.

(d) *The President shall submit to the Congress within ninety days after the date of enactment of this Act, and at the end of each ninety-day period thereafter, a written report informing the Congress of the progress that has been made in implementing the provisions of this section.*

SEC. 812. (a) No funds authorized to be appropriated by this Act may be obligated under a contract entered into by the Department of Defense after the date of the enactment of this Act for procurement of goods which are other than American goods unless, under regulations of the Secretary of Defense and subject to the determinations and exceptions contained in title III of the Act of March 3, 1933, as amended (47 Stat. 1520; 41 U.S.C. 10a, 10b), popularly known as the Buy American Act, there is adequate consideration given to—

(1) the bids or proposals of firms located in labor surplus areas in the United States as designated by the Department of Labor which have offered to furnish American goods;

(2) the bids or proposals of small business firms in the United States which have offered to furnish American goods;

(3) the bids or proposals of all other firms in the United States which have offered to furnish American goods;

(4) the United States balance of payments;

(5) the cost of shipping goods which are other than American goods; and

(6) any duty, tariff or surcharge which may enter into the cost of using goods which are other than American goods.

(b) For purposes of this section, the term "goods which are other than American goods" means (1) an end product which has not been mined, produced, or manufactured in the United States, or (2) an end product manufactured in the United States but the cost of the components thereof which are not mined, produced, or manufactured in the United States exceeds the cost of components mined, produced, or manufactured in the United States.

SEC. 813. (a) Chapter 157 of title 10, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 2635. Medical emergency helicopter transportation assistance and limitation of individual liability.

"(a) The Secretary of Defense is authorized to assist the Department of Health, Education, and Welfare and the Department of Transportation in providing medical emergency helicopter transportation services to civilians. Any resources provided under this section shall be under such terms and conditions, including reimbursement, as the Secretary of Defense deems appropriate and shall be subject to the following specific limitations:

"(1) Assistance may be provided only in areas where military units able to provide such assistance are regularly assigned, and military units shall not be transferred from one area to another for the purpose of providing such assistance.

"(2) Assistance may be provided only to the extent that it does not interfere with the performance of the military mission.

"(3) The provision of assistance shall not cause any increase in funds required for the operation of the Department of Defense.

"(b) No individual (or his estate) who is authorized by the Department of Defense to perform services under a program established pursuant to subsection (a), and who is acting within the scope of his duties, shall be liable for injury to, or loss of property or personal injury or death which may be caused incident to providing such services."

(b) The table of sections at the beginning of chapter 157 of title 10, United States Code, is amended by adding at the end thereof the following new item:

"2635. Medical emergency helicopter transportation assistance and limitation on individual liability."

SEC. 814. In recognition of the vital contribution of Vice Admiral Hyman G. Rickover (United States Navy, retired) to our national defense and in special recognition of his invaluable guidance, initiative, and perseverance in developing the nuclear submarine, the President is authorized to appoint the said Hyman G. Rickover to the grade of admiral on the retired list with all the rights, privileges, benefits, pay and allowances provided by law for officers appointed to such grade.

SEC. 815. Notwithstanding any other provision of law, the authority provided in section 501 of the Defense Procurement Act of 1970, Act of October 7, 1970, Public Law 91-441 (84 Stat. 909), is hereby extended until December 31, 1975.

SEC. 816. (a) Title 10, United States Code, is amended by adding the following new section at the end of chapter 101:

"§ 2004. Detail of commissioned officers of the military departments as students at law schools"

"(a) The Secretary of each military department may, under regulations prescribed by the Secretary of Defense, detail commissioned officers of the armed forces as students at accredited law schools, located in the United States, for a period of training leading to the degree of bachelor of laws or juris doctor. No more than twenty-five officers from each military department may commence such training in any single fiscal year.

"(b) To be eligible for detail under subsection (a), an officer must be a citizen of the United States and must—

"(1) have served on active duty for a period of not less than two years nor more than six years and be in the pay grade O-3 or below as of the time the training is to begin; and

"(2) sign an agreement that unless sooner separated he will—

"(A) complete the educational course of legal training;

"(B) accept transfer or detail as a judge advocate or law specialist within the department concerned when his legal training is completed; and

"(C) agree to serve on active duty following completion or other termination of training for a period of two years for each year or part thereof of his legal training under subsection (a).

"(c) Officers detailed for legal training under subsection (a) shall be selected on a competitive basis by the Secretary of the military department concerned, under regulations prescribed by the Secretary of Defense. Any service obligation incurred by an officer under an agree-

ment entered into under subsection (b) shall be in addition to any service obligation incurred by any such officer under any other provision of law or agreement.

"(d) Expenses incident to the detail of officers under this section shall be paid from any funds appropriated for the military department concerned.

"(e) An officer who, under regulations prescribed by the Secretary of Defense, is dropped from the program of legal training authorized by subsection (a) for deficiency in conduct or studies, or for other reasons, may be required to perform active duty in an appropriate military capacity in accordance with the active duty obligation imposed by regulations issued by the Secretary of Defense, except that in no case shall any such member be required to serve on active duty for any period in excess of one year for each year or part thereof he participated in the program.

"(f) No agreement detailing any officer of the armed forces to an accredited law school may be entered into during any period that the President is authorized by law to induct persons into the armed forces involuntarily. Nothing in this subsection shall affect any agreement entered into during any period when the President is not authorized by law to so induct persons into the armed forces."

(b) The table of contents of chapter 101 of title 10, United States Code, is amended by adding the following new item at the end thereof:

"2004. Detail of commissioned officers of the military departments as students at law schools."

PUBLIC HEALTH SERVICES HOSPITALS

SEC. 817. (a) Except as provided in subsection (b), the Secretary of Health, Education, and Welfare shall take such action as may be necessary to assure that the hospitals of the Public Health Service, located in Seattle, Washington, Boston, Massachusetts, San Francisco, California, Galveston, Texas, New Orleans, Louisiana, Baltimore, Maryland, Staten Island, New York, and Norfolk, Virginia, shall continue—

(1) in operation as hospitals of the Public Health Service,

(2) to provide for all categories of individuals entitled or authorized to receive care and treatment at hospitals or other stations of the Public Health Service inpatient, outpatient, and other health care services in like manner as such services were provided on January 1, 1973, to such categories of individuals at the hospitals of the Public Health Service referred to in the matter preceding paragraph (1) and at a level and range at least as great as the level and range of such services which were provided (or authorized to be provided) by such hospitals on such date, and

(3) to conduct at such hospitals a level and range of other health-related activities (including training and research activities) which is not less than the level and range of such activities which were being conducted on January 1, 1973, at such hospitals.

(b) (1) The Secretary may—

(A) close or transfer control of a hospital of the Public Health Service to which subsection (a) applies,

(B) reduce the level and range of health care services provided at such a hospital from the level and range required by subsection (a) (2) or change the manner in which such services are provided at such a hospital from the manner required by such subsection, or
(C) reduce the level and range of the other health-related activities conducted at such hospital from the level and range required by subsection (a) (3),
if Congress by law (enacted after the date of the enactment of this Act) specifically authorizes such action.

(2) Any recommendation submitted to the Congress for legislation to authorize an action described in paragraph (1) with respect to a hospital of the Public Health Service shall be accompanied by a copy of the written, unqualified approval of the proposed action submitted to the Secretary by each (A) section 314(a) State health planning agency whose section 314(a) plan covers (in whole or in part) the area in which such hospital is located or which is served by such hospital, and (B) section 314(b) area-wide health planning agency whose section 314(b) plan covers (in whole or in part) such area.

(3) For purposes of this subsection, the term "section 314(a) State health planning agency" means the agency of a State which administers or supervises the administration of a State's health planning functions under a State plan approved under section 314(a) of the Public Health Service Act (referred to in paragraph (2) as a "section 314(a) plan"); and the term "section 314(b) area-wide health planning agency" means a public or nonprofit private agency or organization which has developed a comprehensive regional, metropolitan, or other local area plan or plans referred to in section 314(b) of that Act (referred to in paragraph (2) as a "section 314(b) plan").

(c) Section 3 of the Emergency Health Personnel Act Amendments of 1972 is repealed.

SEC. 818. This Act may be cited as the "Department of Defense Appropriation Authorization Act, 1974".

And the Senate agree to the same.

F. EDW. HÉBERT,
MELVIN PRICE,
O. C. FISHER,
CHARLES E. BENNETT,
SAMUEL STRATTON,
WILLIAM G. BRAY,
L. C. ARENDS,
CHARLES S. GUBSER,

Managers on the Part of the House.

JOHN C. STENNIS,
STUART SYMINGTON,
HENRY M. JACKSON,
HOWARD W. CANNON,
THOMAS J. MCINTYRE,
HARRY F. BYRD, JR.,
STROM THURMOND,
JOHN TOWER,
BARRY GOLDWATER,
PETER H. DOMINICK,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill H.R. 9286, an act to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each reserve component of the Armed Forces, and the military training student loads, and for other purposes, submit the following joint statement to the House and to the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—PROCUREMENT

AIRCRAFT

ARMY

U-21 utility transport

The House bill contained an authorization of \$12.2 million for the procurement of twenty U-21 aircraft for the Army.

The Senate deleted the request in its entirety. The Senate pointed out that the Army had not utilized the authorization previously provided in fiscal year 1973 for the procurement of twenty of these aircraft. The failure of the Army to utilize this authority was the result of the inability of the Army and Air Force to enter into a common procurement of a single aircraft as directed by the House-Senate conferees on H.R. 15495, the fiscal year 1973 authorization legislation, Public Law 92-436.

The House conferees, after considerable discussion, receded from the House position and agreed to deny the Army its request for additional aircraft in fiscal year 1974. However, with respect to the twenty utility aircraft of the Army and the fourteen utility aircraft of the Air Force approved by the Congress for fiscal year 1973, the Conference Committee directs that the Army and Air Force enter into a joint procurement for these thirty-four aircraft; that the bid proposals be limited to turboprop aircraft only; and that the performance requirements of the selected aircraft be such so as to satisfy the needs of both the Army and the Air Force.

Aircraft spares

The House authorized \$25.1 million for aircraft spares while the Senate reduced this figure by \$800,000 for an authorization of \$24.3 million.

The House recedes.

NAVY AND MARINE CORPS

EA-6B electronic warfare aircraft

The House bill authorized \$116.6 million for the procurement of six aircraft.

The Senate also authorized the procurement of six aircraft at a reduced figure of \$101.6 million, a reduction of \$15 million.

The Department of the Navy acknowledge that it could accept \$10 million of the \$15 million cut. However, the Senate conferees insisted that their reduction would not adversely affect the procurement of these aircraft. Therefore, the \$5 million restoration was denied. The amount authorized is \$101.6 million.

The House recedes.

A-7E attack aircraft

The House authorized the procurement of forty-two of these aircraft at a cost of \$166.9 million.

The Senate reduced the DOD procurement request for forty-two aircraft to \$152.1 million.

The House recedes.

AV-8A/STOL aircraft

The House authorized the procurement of twelve of these aircraft at a cost of \$43.3 million.

The Senate similarly authorized the procurement of twelve of these aircraft, however, with a reduction of \$6 million in the authorization requested because of a change to a less costly avionics system.

The Department of Defense advised that it could effect the procurement at the reduced figure but stated that since the \$6 million savings applies to total AV-8A/TA.V-8A funding rather than the AV-8A only, the reduction should be adjusted to affect both programs.

The conferees have no objection to an appropriate transfer of funds between the respective programs to compensate for the increased costs in one and the decreased cost in the other.

The House recedes.

F-14A fighter aircraft

The House bill contained an authorization of \$703 million for procurement of 50 F-14A aircraft. The Senate bill provided \$693.1 million for the procurement of 50 F-14A aircraft, a reduction of \$9.9 million. In addition, the Senate bill contained language specifying that the \$693.1 million was to be available for an F-14 program of not less than 50 aircraft subject to no increase in the ceiling price of \$325 million specified in the F-14 contract except between the Navy and the primary airframe contractor for increases related to normal technical changes.

The House conferees recede with an amendment revising the restrictive language of the Senate bill to read as follows:

"subject to no increase being made in the ceiling price of \$325,000,000 specified in the fiscal year 1974 F-14 contract between the Navy and the primary airframe contractor, except in accordance with the terms of such contract, including the clause providing for normal technical changes"

The purpose of this language was to ensure that the maximum liability to the government not exceed the ceiling price of \$325 million set forth in the fiscal year 1974 F-14 contract between the Navy and the Grumman Aircraft Corporation. The conferees agreed to the revised language which is the same phraseology employed in the fiscal year 1973 authorization.

T-2C trainer aircraft

The House had approved the procurement of twenty-four T-2C trainer aircraft at a cost of \$32.5 million.

The Senate had reduced the authorization amount to \$6,400,000. The Senate in recognition that the Navy, based on approved pilot training loads, has insufficient aircraft to meet training requirements, and the Air Force has excess trainer aircraft, recommended that alternatives to additional T-2C aircraft procurement be fully explored by Defense.

The House conferees pointed out that although some excess Air Force T-38 aircraft could be made available for this purpose, these aircraft cannot effectively fill the role in Navy jet pilot training since they were not carrier suitable; they are not compatible with naval air station emergency arresting gear; and they are not stressed for high sink rate landings required in Navy training.

The Senate agreed to recede from its position but in doing so received the support of the House conferees in directing that total defense pilot requirements and training rates, together with assets available to meet pilot training requirements, should be comprehensively reviewed prior to submitting any additional requests for training aircraft. The authorization approved is \$32.5 million.

AIR FORCE

A-7D attack aircraft

The Senate bill contained \$70,100,000 for the procurement of twenty-four A-7D aircraft for the purpose of further modernization of the Air National Guard and continuing the production of these aircraft pending a flyoff between the A-7D and A-10 aircraft.

There was no similar provision in the House bill.

The House recedes from its position and accepts the Senate authorization.

A-10 (AX) advance procurement

The House bill contained \$30 million for long lead time items and advance procurement for the A-10 aircraft and \$112,400,000 for RDT&E for four R&D funded aircraft.

The Senate bill contained no procurement money and reduced the authorization for RDT&E to \$92,400,000, a reduction of \$20 million.

After considerable discussion, the conferees agreed to accept the Senate deletion of \$30 million for advance procurement of the A-10 aircraft but agreed to restore \$15 million of the \$20 million reduction in the RDT&E account. The \$15 million will permit the complete funding for the first six development aircraft but no funds are provided for the additional four test aircraft originally contemplated in the program.

The House, therefore, recedes to the Senate position on the denial of \$30 million for advance procurement of long lead time items for the A-10.

F-111

Both the House and Senate bills contained authorization for the procurement of 12 F-111F aircraft in FY 74. The House bill contained \$172.7 million and the Senate bill contained \$158.8 million, a difference of \$13.9 million. The House bill also contained language to ensure that the funds could only be used for the stated purpose of procuring 12 F-111F aircraft. The reduced figure in the Senate bill is accounted for principally by the fact that the Senate stated that the \$13.9 million is "start-up cost incurred because the \$30 million in long lead funds authorized last year by Congress were not placed under contract in time to prevent a gap in the F-111 production." The DOD reclama agreed that the Senate figure was adequate to fund 12 aircraft and the House conferees, therefore, recede on the dollar authorization. The Senate conferees recede on the House language.

F-5A

The Senate reduced the Air Force procurement request for 116 F-5As from \$69.3 million to \$28.3 million. The House had authorized the entire amount as requested by the Department of Defense.

The reduction of the Senate of \$41 million was based on the consideration that these funds had already been provided by the Military Assistance Program (MAP) and new funding for the Air Force was not required.

The Conferees agreed that the \$41 million should be authorized for reimbursement of the MAP account but that new funding was not required. The Senate recedes to the House, with an amendment.

F-15

The Department of Defense requested \$918,500,000 for the procurement of seventy-seven F-15 aircraft together with associated spares (\$801.9 million plus \$116.6 million).

The House authorized the procurement of thirty-nine of these aircraft at a total cost of \$587,600,000 (\$511.8 plus \$75.8 million). The Senate approved the total request of the Department.

The reduction effected by the House was occasioned by its concern over the failure of the F-100 engine for this aircraft to satisfactorily complete its Military Qualification Test. The Senate fully funded the program noting the successful flight test program, and the two year time period until this year's aircraft will be delivered.

The Department of Defense urged the conferees to accept the Senate action maintaining that the action taken by the House was not justified either for purposes of economy or for purposes of slowing down the F-15 program until the MQT is successfully accomplished. The Department of Defense maintained that the 50 percent reduction made by the House would very substantially increase the total cost of the program. If the F-100 engine does not satisfactorily complete the forthcoming endurance test, Defense points out that the Air Force would be required to make appropriate program adjustments which

would necessarily be much earlier than that which would otherwise result from the proposed House program reduction.

In view of the assurance by the Department of Defense that the F-15 program is proceeding satisfactorily and that acceptance of the House action would not achieve the purpose desired by its proponents, that is, economy and prudence in the pace of the program, the House conferees recede from their position and accept the Senate amendment.

UH-1H helicopter

The House had approved the department's request for \$96.7 million for the procurement of 308 UH-1H helicopters.

The Senate reduced this procurement authorization to \$56.5 million for the procurement of 180 helicopters. The reduction was to defer procurement of 128 of the requested 308 helicopters until fiscal year 1975.

The House recedes from its position and accepts the Senate amendment.

Aircraft modifications

The Senate reduced two items in the Air Force's aircraft modifications request for fiscal year 1974. These included B-52 modifications for which the Air Force requested \$238.5 million and operational necessity modifications for which the Air Force requested \$20 million.

The Senate reduced the B-52 modifications request to \$223 million and eliminated entirely the \$20 million requested for operational necessity modifications, a net reduction by the Senate of \$35.5 million. The House authorized the full amount.

After considerable discussion in which the Senate conferees pointed out that the modification program had been delayed and that the funds authorized would be adequate for fiscal year 1974, the House conferees receded and accepted the Senate amendment.

Aircraft Spares (C-130E)

The House bill fully funded the department's request for \$11.6 million for aircraft spares.

The Senate reduced this authorization to \$2.3 million.

The department accepted the Senate reduction.

The House recedes from its position.

Common ground equipment

The House authorized the \$82 million requested by the department for common ground equipment.

The Senate reduced this figure by \$5.5 million because the request for \$5.5 million for undergraduate pilot training instrument flight simulators was not a formal amendment to the authorization request and had not, as a procurement program, received Department of Defense approval.

Subsequent to the Senate action, the department officially requested restoration of \$5.5 million to allow a fiscal year 1974 contract award for the first simulator complex to be installed at Reese Air Force Base, Texas.

The House conferees receded from their position and accepted the Senate reduction with the stipulation that the department should go

forward with the procurement of equipment for the simulator complex at Reese Air Force Base from within the authorization provided.

MISSILES

ARMY

Lance missile

The House approved \$83.7 million requested by the department for the Lance missile. The Senate reduced this authorization to \$79 million, a reduction of \$4.7 million, on the grounds that the deleted funds were not required in fiscal year 1974.

The House recedes and accepts the Senate amendment.

Pershing missile

The House authorized \$53.8 million as requested by the department. The Senate reduced this figure to \$49.3 million, a reduction of \$4.5 million.

The House conferees recede and accept the Senate change.

AN/TSQ Air Defense Command and Control

The House authorized \$10.5 million as requested by the department. The Senate reduced this authorization to \$6.2 million, a reduction of \$4.3 million.

The Senate action would have denied funding authority to provide the first production option on the system on the theory that sufficient testing had not been accomplished to warrant beginning production in this fiscal year.

The Army advised that sufficient testing will be accomplished early in fiscal year 1974 to provide sufficient information for a decision to enter into limited procurement.

The Senate recedes from its position and accepts the House authorization of \$10.5 million.

NAVY

Poseidon missile (UGM-73A)

The House authorized \$21.1 million as requested by the department of the Navy. The Senate reduced this authorization by \$35.6 million to defer the procurement of a number of missiles from fiscal year 1974 until fiscal year 1975.

The department accepted the deferral of the procurement of these missiles that were to be used in the operational testing program but requested restoration of \$29.6 million of these funds to provide for modification work to improve system reliability.

The Senate conferees agreed to restore \$29.6 million for modification work to improve system reliability and to defer procurement of missiles as provided in the Senate position. The authorization agreed upon by the conferees is \$205 million.

Sidewinder (AIM-9H)

The House authorized \$16.3 million as requested by the department. The Senate reduced this authorization request by \$1.5 million.

The House recedes and accepts the Senate amendment.

Harpoon (AGM-84A)

The House authorized \$19 million as requested by the department for advance procurement. However, the Senate reduced the Harpoon request by \$4.9 million to keep the initial production rate low on the Harpoon until operational testing verifies the production design.

The House recedes and accepts the Senate amendment.

Bulldog (AGM-87A)

The Senate recommended \$12.5 million for the Navy to begin production of the Bulldog close support missile with laser guidance.

The House bill had no similar provision.

The House recedes and accepts the Senate amendment with an amendment, reducing this authorization to \$12.4 million.

AIR FORCE

Minuteman III (LGM-30)

The House authorized \$401.2 million as requested by the department. The Senate authorized \$355.4 million, a reduction of \$45.8 million. The reduction made by the Senate was to maintain the same production rate as last year.

The House recedes and accepts the Senate reduction.

Shrike (AGM-45A)

The House authorized the \$11 million requested by the department for this program. The Senate reduced this authorization to \$8.8 million. The Senate pointed out that \$2.2 million was found not to be required until fiscal year 1975.

The House recedes and accepts the Senate amendment.

Maverick (AGM-65A)

The House authorized \$107.1 million as requested by the department. The Senate reduced this authorization to \$97.2 million, a reduction of \$9.9 million.

The Senate recedes from its reduction and accepts the House position.

SRAM (AGM-69A)

The House authorized \$136.7 million as requested by the department. The Senate reduced this authorization to \$131.1 million, a reduction of \$5.6 million.

The House recedes from its position and accepts the Senate amendment.

NAVAL VESSELS

DLGN nuclear frigate, advance procurement

The House authorized advance procurement funds in the amount of \$79 million to provide long-lead time items for the nuclear frigates DLGN-41 and DLGN-42.

The Senate bill contained no similar authorization.

The House conferees pointed out that the Department of Defense acknowledged the requirement for additional nuclear frigates in the

Navy's fleet air defense ship inventory. These ships were not included in the department's fiscal year 1974 budget request because of fiscal constraints. The House conferees strongly believe that the four nuclear-powered carriers provided to the Navy by the Congress should have a minimum of 16 nuclear-powered frigates to use as escorts. Presently there are two commissioned frigates, two frigates nearing completion, and three more under contract. With the addition of the two new frigates authorized in this bill there will be a total of nine nuclear-powered frigates in the U.S. Navy.

The Senate recedes from its position and accepts the House authorization. In addition, the Senate accepted the restrictive language providing that the \$79 million could be used only for the procurement of long-lead time items for the DLGN-41 and the DLGN-42. That language further provided that contracts for these long-lead time items shall be entered into as soon as practicable unless the President fully advises the Congress that the construction of these naval vessels is not in the national interest.

Sea control ship (SCS), advance procurement

The House authorized the \$29.3 million request by the department for advance procurement for this new type naval vessel. The Senate denied this request in its entirety since it had reservations concerning the validity of the concept.

The House conferees pointed out that the Navy has just recently completed a series of tests on board the USS GUAM (LPH-9) which have proven that the concept of the sea control ship is, in fact, practical and is a cost-effective way of providing antisubmarine warfare protection for ship convoys.

The Senate recedes and accepts the House action.

Poseidon (SSBN) conversions

The House authorized \$79.9 million for SSBN Poseidon conversions. The Department of the Navy maintained that this amount is insufficient for the conversion of the two ships scheduled in the fiscal year 1974 program.

The Senate authorized \$116.2 million for this purpose, which the Navy advises will be adequate for the scheduled conversion program for these vessels in fiscal year 1974.

The House, therefore, recedes and accepts the Senate amendment.

Guided missile frigate (DLG) conversions

The House authorized \$73.7 million for the modernization of two vessels, the DLG-10 and DLG-11. The Senate reduced this authorization to \$58.1 million, a reduction of \$15.6 million.

The Senate is of the view that these ship modernizations can be effected within the \$58.1 million authorized by the Senate for fiscal year 1974 and the \$30.8 million previously provided in fiscal year 1973.

The House recedes and accepts the Senate amendment.

Escalation

The House authorized \$174 million to fund prior year contract escalation increases in the ship construction budget.

The Senate reduced this authorization to \$102.1 million, pointing out that the \$71.9 million reduction reflects funds that are not required for obligation during fiscal year 1974.

The House recedes and accepts the Senate amendment.

TRACKED COMBAT VEHICLES

ARMY

M60A1 Tank

The House authorized \$99.4 million for the procurement of 360 M60A1 tanks as requested by the Department.

The Senate reduced this authorization to \$66.4 million, a reduction of \$33 million. The reduction of \$33 million was designed to defer the procurement of 120 tanks. The Department pointed out that this reduction from the fiscal year 1974 procurement would adversely affect plans for modernization of the Reserve component units.

The House conferees were adamant in their position that all of these tanks should be procured as requested by the Department in fiscal year 1974.

The Senate recedes and accepts the House position.

TORPEDOES

NAVY

Torpedo MK-48

The House authorized \$164.3 million as requested by the Department for this program.

The Senate reduced this authorization request by \$5 million. The reduction by the Senate results in a denial of \$5 million requested for procurement of automatic test equipments for support of the MK-48 torpedo until such time as final decisions have been made on the number of support sites and test equipments that will actually be required to support the program.

The House recedes and accepts the Senate amendment.

Captor

The House authorized \$11.6 million for this program as requested by the Department for initial production funding of the Captor system.

The Senate denied funds for this purpose in its entirety. The Senate maintained that approval of any production funding for fiscal year 1974 is not warranted in view of the current status of the development program.

The Department requested that \$4.9 million of the procurement funds be restored and \$6.7 million of the balance of these funds be transferred to the RDT&E account.

The Committee on Conference agreed to transfer \$6.7 million to RDT&E, raising funds for the Captor system in the RDT&E account to \$19,961,000. However, the House conferees agreed with the Senate position in denying any procurement funds for the system.

The House recedes from its position.

OTHER WEAPONS

ARMY

M219, 7.62 machine gun

The House authorized \$8.5 million for this program as requested by the Department.

The Senate reduced this amount by \$1.3 million to an authorization figure of \$7.2 million.

The House recedes from its position and accepts the Senate amendment.

M60 machine gun

The House authorized \$4.5 million for this program as requested by the Department.

The Senate denied any funding for this program pointing out that these guns would be placed in storage against future allied requirements and therefore were not required.

The conferees agreed to authorize \$2.7 million for this program. Therefore, the House recedes from its position with an amendment.

M16A1 rifle

The Senate had provided \$4.185 million for this program; and the House had denied funding for this program.

The original Department of Defense request for this program was \$3.1 million.

The Senate recedes from its position with an amendment which results in an authorization of \$3.1 million with the understanding that the \$3.1 million is adequate to maintain a warm production base through the 1973 funded delivery period.

NAVY

MK22 machinegun

The House authorized the Department's request of \$800,000 for this program and the Senate denied any funding.

The House recedes from its position and accepts the Senate amendment.

Phalanx/Vulcan (close-in weapons system)

The House authorized \$13 million for this program as requested by the Department and the Senate authorized \$5 million.

After the Senate action, the Department of Defense requested a total of \$9 million for the program.

The conferees agreed to approve the Department's request. Therefore, both the Senate and House recede with an amendment.

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

GENERAL

Both the House and Senate modified the Research and Development authorization requested by the Department of Defense. The de-

partmental request totaled \$8,557,900,000. The House bill authorized a total of \$8,321,797,000, whereas the Senate authorization totaled \$8,059,733,000. The conferees agreed on a total of \$8,194,885,000. The amount agreed upon is \$363,015,000 less than was requested by the Department of Defense.

The approach taken by the two Houses in reducing the Research and Development budget requests differed only in that the House applied undistributed reductions. This amounted to \$36,400,000 for the Navy and \$21,000,000 for Defense Agencies except for the Test and Evaluation program. The Senate made specific reductions to various program elements throughout the Research and Development budget. The individual adjustments adopted by the conferees are reflected in the following table.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION
CONFERENCE ACTION
[In thousands of dollars]

Item number and program	Request	House	Senate	Difference (House-Senate)	DOD reclamation	Conference
ARMY						
1. Advanced attack helicopter.....	49,200	49,200	45,700	-3,500	45,700	45,700
2. Bushmaster.....	13,720	13,720	9,825	-3,894	9,825	9,825
3. Antitank assault weapon (TOW).....	8,100	8,100	6,520	-1,580	6,520	6,520
4. Aerial scout.....	1,000	1,000	0	-1,000	0	0
5. Exploratory ballistic missile defense.....	39,300	39,300	23,900	-15,400	39,300	34,000
6. Advanced ballistic missile defense.....	60,700	60,700	33,700	-27,000	60,700	52,700
7. Site defense.....	170,000	145,000	100,000	-45,000	145,000	135,000
8. UTTAS.....	108,825	102,625	102,700	+75	102,625	102,625
9. Safeguard.....	216,000	191,000	199,700	+8,700	191,000	181,000
10. Military selection, training, and leadership.....	1,300	1,300	1,245	-55	1,245	1,245
11. Land warfare laboratory.....	5,163	5,163	5,113	-50	5,113	5,113
12. Nuclear munitions.....	14,498	0	6,100	+6,100	6,100	6,100
13. Advanced forward area air defense system.....	28,065	28,065	8,600	-19,465	15,600	11,100
14. XM198, 155 mm howitzer.....	5,976	0	5,976	+5,976	5,976	5,976
15. Undistributed reduction.....		-340		+340	0	0
Programs not in dispute.....	1,386,853	1,386,853	1,386,853		1,386,853	1,386,853
Total, Army.....	2,108,700	2,031,668	1,935,933	-95,753	2,021,558	1,983,758
NAVY						
1. CH-53E helicopter.....	30,000	30,000	28,800	-1,200	28,800	28,800
2. Airborne ASW developments.....	12,731	12,731	11,986	-745	12,731	11,986
3. Submarine silencing.....	8,708	8,708	8,208	-500	8,708	8,708
4. Reactor propulsion plants.....	7,202	7,202	6,902	-300	6,902	6,902
5. Advanced command data system.....	5,849	5,849	4,800	-1,049	5,849	5,849
6. A4W/A1G nuclear propulsion plant.....	7,534	7,534	7,250	-284	7,250	7,250
7. D2W nuclear propulsion reactor.....	7,202	7,202	7,000	-202	7,000	7,000
8. Advanced design submarine nuclear propulsion plant.....	11,700	11,700	11,600	-100	11,600	11,600
9. NATO PHM.....	24,000	24,000	18,830	-5,170	18,830	18,830
10. Environmental protection.....	9,100	9,100	8,950	-150	8,950	8,950
11. Strategic cruise missile.....	15,200	15,200	0	-15,200	15,200	2,500
12. Surface effect ships.....	72,800	72,800	60,900	-11,900	60,900	60,900
13. V/STOL for sea control ship.....	26,300	26,300	22,400	-3,900	26,300	24,300
14. Advanced propulsion for V/STOL.....	11,300	11,300	5,900	-5,400	5,900	5,900
15. Aerial target systems development.....	14,355	14,355	12,455	-1,900	14,355	14,355
16. AEGIS.....	43,134	43,134	40,134	-3,000	43,134	40,134
17. Surface-launched weaponry, systems, and technology.....	9,260	9,260	4,760	-4,500	9,260	4,760
18. CAPTOR.....	13,261	13,261	13,261	0	19,961	19,961
19. Undistributed reduction.....		-36,400		+36,400	-11,694	0
Programs not in dispute.....	2,382,064	2,382,064	2,382,064		2,382,064	2,382,064
Total, Navy.....	2,711,700	2,675,300	2,656,200	-19,100	2,682,000	2,670,749

AIR FORCE						
Airborne warning and control system.....	197,800	155,800	155,800	0	155,800	155,800
1. Missile attack assessment.....	10,300	10,300	6,100	-4,200	8,700	8,700
2. Minuteman.....	99,800	99,800	99,700	-100	99,700	99,700
3. Advanced airborne command post.....	37,300	37,300	33,100	-4,200	33,100	33,100
4. Advanced medium STOL transport.....	67,200	67,200	65,200	-2,000	65,200	65,200
5. Advanced turboprop engine.....	15,600	15,600	0	-15,600	0	0
6. Subsonic cruise armed decoy.....	72,200	22,000	0	-22,000	22,000	11,000
7. B-1 bomber.....	473,500	473,500	373,500	-100,000	473,500	448,500
8. A-10 (A-X).....	112,400	112,400	92,400	-20,000	112,400	107,400
9. F-5E (F-5F).....	2,600	2,600	16,600	+14,000	16,600	16,600
10. Close air support weapon system.....	8,000	8,000	0	-8,000	8,000	5,000
11. Lightweight fighter prototype.....	46,500	40,000	46,500	+6,500	46,500	46,500
12. Human resources.....	8,200	5,211	8,200	+2,989	8,200	8,200
Undistributed reduction.....	2,061,100	2,061,100	2,061,100		2,061,100	2,061,100
Programs not in dispute.....	3,212,500	3,110,811	2,958,200	-152,611	3,110,800	3,034,800
Total, Air Force.....						
DEFENSE AGENCIES						
ARPA:	72,500	72,500	69,800	-2,700	69,800	69,800
1. Strategic technology.....	27,600	27,600	27,100	-500	27,100	27,100
2. Tactical technology.....	9,800	9,800	8,800	-1,000	8,800	8,800
3. Advance command, control, and communication technology.....	21,400	21,400	21,100	-300	21,100	21,100
4. Nuclear monitoring research.....	37,100	37,100	36,600	-500	36,600	36,600
5. Defense research sciences—Information processing techniques.....	42,141	42,141	42,141		42,141	42,141
Programs not in dispute.....	210,541	210,541	205,541	-5,000	205,541	205,541
Total.....						
DCA:	9,530	9,530	8,830	-700	8,830	8,830
6. Defense communication system.....	4,100	4,100	3,900	-200	3,900	3,900
7. Defense communication system test and evaluation.....	7,470	7,470	7,470		7,470	7,470
Programs not in dispute.....	21,100	21,100	20,200	-900	20,200	20,200
Total.....	6,405	6,405	3,905	-2,500	5,083	5,083
8. DIA.....						
DMA:	7,985	7,985	7,585	-400	7,985	7,985
9. Mapping, charting, and geodesy investigations.....	3,930	3,930	3,930		3,930	3,930
Programs not in dispute.....	11,915	11,915	11,515	-400	11,915	11,915
Total.....						
DNA:	53,509	53,509	52,409	-1,100	52,409	52,409
10. Nuclear weapons effects development.....	73,691	73,691	69,791	-3,900	69,791	69,791
11. Nuclear weapons effects tests.....	127,200	127,200	122,200	-5,000	122,200	122,200
Total.....	93,500	93,500	91,700	-1,800	91,700	91,700
12. NSA.....	54,339	54,339	54,339		54,339	54,339
13. Undistributed reduction.....	504,000	504,000	509,400	+5,400	505,578	505,578
Other programs not in dispute.....	8,557,900	8,321,797	8,059,733	-262,064	8,319,936	8,194,885
Total, defense agencies.....						
Total, Department of Defense authorization.....						

B-1 AIRCRAFT

The House bill authorized the full \$473.5 million requested. The Senate bill authorized \$100 million less, or \$373.5 million, and represented an expression by the Senate of its dissatisfaction with the progress and management of this program.

This program has experienced major problems affecting schedule slippage and cost increases twice since the B-1 program was presented to the Congress this year.

The House and Senate Armed Services Committees were advised by letters from the Secretary of the Air Force dated October 6, 1973, that a number of constructive actions had been taken by the Air Force, but that preliminary views of the special committee established by the Air Force, headed by Dr. Raymond L. Bisplinghoff, Deputy Director of the National Science Foundation, to assess the B-1 development program indicated that the program "is success oriented and austere in funding and schedule. Therefore, there could be difficulty in transitioning from the development to the production phase as the program is now structured." "The Bisplinghoff Committee believes that the present program is not the conservative process that they would endorse . . . and additional program adjustments could increase the present development program estimate by as much as 10 percent." The letters also advised that an independent cost analysis conducted by the Air Force reflected further increases in cost estimates above the amounts previously reported. Total research and development program costs now are estimated to be \$2,840,000,000 and procurement \$12,050,000,000 for a total program cost of \$14,890,000,000.

The conferees discussed this program at length, including technical, schedule, and cost uncertainties and expressed concern as to the possibility of further significant problems which would delay the program and add to costs.

The conferees agreed to an authorization of \$448.5 million, coupled with the following specific guidance. The reduction of \$25 million from the amount requested will be applied in such a manner as to avoid firing of contractor employees. The reduction should be accomplished by a combination of actions including, but not limited to, the following:

- (a) Delay award of contract for defensive avionics. With the delay in program schedule, procurement of these "off-the-shelf" items may be deferred and would permit more advanced equipment that would be available later to be incorporated.
- (b) Reduce the offensive avionics work consistent with the delay in the program.
- (c) Delay or reduce the level of work on the full-scale fatigue article, consistent with the program delay.
- (d) Short Range Attack Missile (SRAM) interface also could be deferred.

F-5E (1-5F) AIRCRAFT

The House bill authorized \$2.6 million requested for the F-5E aircraft program. The Deputy Secretary of Defense, by letter dated July 9, 1973, requested an increase in authorization to complete a definition study and initiate full scale development and testing of two

prototype aircraft of a two-seat version of the Northrop F-5E international fighter to be designated the F-5F.

The Senate bill approved the addition of \$14 million for this purpose. The House recedes.

A-10 AIRCRAFT

The House bill authorized the \$112.4 million requested. The Senate bill authorized \$92.4 million, or \$20 million less than the House, and reduced the quantity of 10 research and development funded airplanes to 6.

The conferees agreed to authorize \$107.4 million, but limited the use of these funds to only 6 airplanes.

STRATEGIC CRUISE MISSILES AND DECOYS

The House approved an authorization of \$22 million for the Subsonic Cruise Armed Decoy (SCAD) and \$15.2 million for the Strategic Cruise Missile (SCM) consistent with the revised request of the Department of Defense. The Senate deleted both amounts because the Department of Defense had not decided specifically what technology programs to pursue and what the requirements are for specific weapon systems to be developed. The Senate stated that a part of the \$210 million provided to the Air Force and Navy for related general technology could be used to continue basic decoy and cruise missile technology up to subsystem and component development, but precluded the initiation of advanced development prototype programs both for SCAD and SCM.

The SCM and SCAD programs as originally proposed for fiscal year 1974 subsequently were completely reoriented by the Department of Defense. The Deputy Secretary of Defense by letter of July 6, 1973, advised that he had decided to terminate full engineering development of SCAD and had reduced the amount requested by \$50.2 million from \$72.2 million to \$22 million. These funds would be used to conduct a technology demonstration of critical subsystems and include testing of the SCAD brassboard B-52 decoy electronics and continued turbofan engine development.

The Deputy Secretary of Defense, by letter dated August 28, 1973, advised that the SCM program would be continued and provide flight demonstrations of an advanced developmental prototype airframe and propulsion system. Tests would include underwater and air launch capability demonstrations and also consider surface launch feasibility.

These letters were received too late for either the House or the Senate Armed Services Committees to hold hearings and examine the specific details of these reoriented programs. The conferees agreed that this is required before the committees will approve any advanced development prototype programs.

The Senate Armed Services Committee in its report on the bill recognized the possibility that the Department of Defense during fiscal year 1974 may formulate and establish a specific program requirement for a decoy or missile which could be the basis for a proposed program action which the various committees of the Congress would then consider on its merit and, if approved, authorize initiation during fiscal year 1974; and if there is no urgency, a proposal could be made as part of the submission of the fiscal year 1975 request.

The conferees agreed to an authorization of \$11 million for SCAD and \$2.5 million for SCN with the understanding that the use of these funds would conform with the following guidance.

(a) Develop components and subsystems such as advanced turbo-fan engines, ramjets, high density fuels, advance navigation and guidance systems, such as TERCOM.

(b) Conduct studies to determine the specific requirement for alternative weapon systems that could provide such capabilities as a stand-off launch missile as a hedge against major problems that could jeopardize the B-1, improving the penetrating capability of the B-52G and H, providing for tactical cruise missiles beyond Harpoon, and providing a surface or submarine launched strategic cruise missile.

(c) Submit the results of these studies as part of the fiscal year 1975 request so that the Congress will have an opportunity to consider the requirements in greater depth and in concert with all other programs involved in these mission areas. This does not preclude a submission of a proposed reprogramming action if the urgency of such a requirement warrants initiation during fiscal year 1974.

(d) Encourage the continued close coordination and management of common technology programs between the Air Force and Navy, including integration of requirements to minimize unwarranted parallel developments.

(e) Prohibit the initiation of advanced development prototype programs.

LIGHT AREA DEFENSE SYSTEM (LADS)

The House bill authorized \$42.4 million for development of a Light Area Defense System (LADS). \$15.4 million of this amount was provided under the Exploratory Ballistic Missile Defense program and \$27 million under the Advanced Ballistic Missile Defense program.

The Senate deleted the full amount of \$42.7 million requested primarily because the ABM treaty precludes deployment of this system, and because there are serious technical questions as to whether a Light Area Defense even if developed would be effective in countering either a small attack from the Soviet Union or a nuclear threat by the Peoples Republic of China.

The Department of Defense has advised the House and Senate Armed Services Committees that the \$42.4 million requested is not intended to be used to develop a Light Area Defense System. The Director of Defense Research and Engineering, by letter dated October 9, 1973, advised the Senate Armed Services Committee that denial of these funds would create a serious void in the Ballistic Missile Defense technology base and eliminate vitally important research not uniquely required for Light Area Defense. The letter also stated that the technology developments in this program would have application in other strategic areas such as satellite detection, discrimination, protection, and interception.

The conferees also were advised that this program would support continuation of data collection on the radar and optical signatures of ICBM tanks which fragment upon reentering the Earth's atmosphere and the special target program effort previously supported by the Site Defense program.

The conferees agreed to authorize \$29,100,000 solely to support Ballistic Missile Defense technology with the understanding that, as a

matter of policy, none of these funds will be applied to the development of a Light Area Defense System.

SITE DEFENSE

The House bill contained an authorization of \$145 million for the Site Defense prototype demonstration program. This represented a reduction of \$25 million from the amount requested. The House committee believed that a program of \$145 million is sufficient for an orderly Research and Development program in fiscal year 1974 and that the increase requested over fiscal year 1973 was not adequately justified.

The Senate bill reduced the amount requested by \$70 million to \$100 million, which is \$45 million below the House. The Senate action was consistent with that of the House in slowing the pace of development of this program, which is presently limited to a prototype demonstration. Site Defense, except within certain limitations, could not be deployed under the provisions of the ABM treaty except at the National Command Authority site. It, therefore, essentially constitutes a hedge in the event that the treaty is violated by the Soviets, or if the United States deems it necessary to abrogate the treaty in the interest of its strategic deterrent posture.

The conferees agreed to an authorization of \$135 million with the understanding that none of these funds will be used to conduct contract studies for deployment of a National Command Authority site.

CLOSE AIR SUPPORT WEAPON SYSTEMS

The House bill authorized the \$8 million requested for the Close Air Support Weapon Systems to begin engineering development of a laser seeker for the Maverick missile. The Senate bill denied the \$8 million requested in favor of using the Bulldog laser seeker on the Maverick missile.

The conferees agreed to authorize \$5 million, of which \$3 million will be used only for integration of the Bulldog missile seeker in Maverick and \$2 million only for further development of the TV Maverick seeker.

ADVANCED FORWARD AREA AIR DEFENSE

The House bill authorized \$19.465 million under this program for the Low Altitude Forward Area Air Defense (LOFAADS) program.

The Senate denied all of these funds because the Army had not yet determined that there is a valid requirement for another all-weather air defense missile.

The conferees were advised by the Army that its requirement had been reduced to \$7 million, of which \$2.5 million would support in-house costs to obtain and evaluate contractor proposals and \$4.5 million to cover initial contract costs following contractor selection.

The conferees agreed to authorize \$2.5 million which will support Army in-house costs including the solicitation and evaluation of contractor proposals. Allowing more than \$2.5 million would constitute approval of the program. If the Army decides to proceed with this program and requires funds to initiate contractor effort, this should

be proposed in conjunction with the submission of the fiscal year 1975 request.

SURFACE EFFECTS SHIPS

The House bill contained an authorization of \$72.8 million, which is the amount requested, for the Surface Effects Ships program. The Senate reduced the authorization by \$11.9 million with the concurrence of the Navy that the \$11.9 million would not be required to support the program during fiscal year 1974.

The Senate bill contained language which required that, of the funds authorized for Research, Development, Test and Evaluation for the Navy, \$60.9 million is authorized only for the Surface Effects Ships program. This restrictive language was added because the key events, satisfactory completion of the 100 ton test program, approval to proceed with detailed design, and progress of supporting technology in solving all major technical problems, will occur after the Congress acts on this bill. This language is intended to prevent funds authorized for this program from being reprogramed to other requirements if these forecasted events do not occur as scheduled. Since this is consistent with the desires of the House, the House conferee agreed to retain the language. The House recedes.

TITLE III—ACTIVE FORCES

End strengths

The House bill contained authorized end strengths for the fiscal year ending June 30, 1974, for the Army, Navy, Marine Corps and Air Force that were 13,037 below the amount requested. The amounts authorized by service in the House bill were as follows:

Army	791, 627
Navy	565, 912
Marine Corps	196, 363
Air Force	665, 963

The House bill also contained the requirement that its Armed Services Committee report to the House by April of 1974 on the advisability of maintaining our present level of military commitment to Europe.

The Senate bill authorized end strengths for the year ending June 30, 1974, by service as follows:

Army	803, 806
Navy	566, 320
Marine Corps	196, 419
Air Force	666, 357

However, the Senate bill provided that the end strengths authorized should be reduced by 156,100 as of June 30, 1974, with the reductions to be apportioned among the services by the Secretary of Defense with the Secretary required to report to the Congress within 60 days on the manner in which the reductions are to be apportioned among the military departments. The Senate language further required that the reductions shall be applied to the maximum extent practicable to support forces.

The Department of Defense strongly opposed the reductions in the Senate version of the bill.

The Department maintained that reduction of the size called for in the Senate bill would have required reducing fighting forces and would have created excessive personnel turbulence.

After extensive discussion, the Conferees agreed on the end-strength totals in the Senate amendment and further agreed on a total reduction of 43,000 to be imposed as of June 30, 1974, with the reductions to be apportioned among the Services by the Secretary of Defense, who is required to report to the Congress within 60 days on the manner of apportionment among Services and missions.

The Conferees wish to state that the Department of Defense should effect manpower economies which will result in reductions in the next several years of at least the magnitude imposed in the present bill if such are determined to be not inconsistent with the needs of national security.

Exclusion of Reservists from active-duty strength computation

The Senate bill contained language making permanent the provision of law that has appeared in previous authorization bills excluding ready Reservists ordered to active duty in making the computation to determine the active-duty end strength of any component of the Armed Forces.

The House bill had contained the same exclusion as a requirement for the present fiscal year.

The House recedes with an amendment adding to the language of the Senate version of the bill a provision from the House bill that the exclusion of Reservists ordered to active duty shall include those on active duty for training, and the Senate agrees to same.

Semi-annual report on units called to active duty

Section 303 of the Senate bill provided that whenever one or more units of the ready Reserve are ordered to active duty, the President shall submit semi-annual reports to the Congress listing the necessity of having such units on active duty, including a statement of the mission of each unit, an evaluation of its performance, the unit deployment and other information as appropriate.

The House bill contained no comparable provision.

The House recedes.

Codification of Authorization Authority and the addition of authorization for Department of Defense civilian manpower

Section 304 of the Senate bill would require the Congress to authorize the end strength for civilian employees for each component of the Department of Defense for each year, beginning with the fiscal year which begins on July 1, 1974. The House bill contained no comparable provision.

Section 604(a) of the House bill would amend Chapter 4 of Title 10, United States Code, by adding new sections after Section 137 of Chapter 4, Title 10. The House version would retain the authorization language in existing law but it would codify such language as a permanent part of Title 10, United States Code. This codification clarifies the statutory requirement for authorization for appropriations for various activities of the Department of Defense. Basically, this requires authorization before funds can be appropriated, obligated or expended for the categories specified. The word "annual" was eliminated with the result that it covers all appropriations for such purposes. The Department of Defense did not object to the provision of the House bill. The Department opposed the authorization of end strength for civilian employees on the grounds that it would limit

flexibility in manpower management and on further grounds that Congress presently has sufficient overall review procedures.

The Senate conferees pointed out that civilian manpower totals over 900,000 and costs approximately \$13.5 billion annually. Over 90 percent of civilians are in support and overhead functions. Proper review and control of defense expenditures require the kind of review that annual authorization enforces, the Senate conferees declared.

The Senate conferees recede on the language of Section 604(a) of the House bill, and the House conferees recede on the requirement for authorization for the civilian end strength of the Department of Defense.

Early release of regular military personnel

Section 305 of the Senate bill was a floor amendment which would authorize the Secretary of Defense to release military personnel without regard to any provision of law relating to tenure or continuation except that personnel with over 18 years of service could not have been released until they have attained 20 years. The provision would have provided regular officers so released to be paid the same readjustment pay as now provided to Reservists under Section 687 of Title 10, United States Code.

The House bill contained no such provision. The Senate language would have had the effect of equalizing the retention opportunities of regular and Reserve officers.

The House conferees were concerned that the Senate provision would have changed the existing career understanding of regular officers and would have sharply modified complex existing law without adequate study and hearings. The House conferees, therefore, were adamant in their opposition to the provision.

The Senate recedes.

TITLE IV—RESERVE FORCES

Naval and Coast Guard Reserve strength

Title IV of the bill contains the annual authorization for the average strength of the selected Reserve for each Reserve component of the Armed Forces. For the Naval Reserve the House bill provided an authorization of 116,981. The Senate bill authorized 121,481. The House authorization corresponds to the request of the Department of Defense. The Senate version added 4,500 to the requested strength for the Naval Reserve, an action taken to avoid the forced release of selected Reservists.

Both Houses recede in their position with an amendment providing an authorization of 119,231.

The House bill authorized 11,800 as the strength of the Coast Guard Reserve. The Senate bill authorized 11,300, the amount requested.

The Department of Transportation, which has supervision over the Coast Guard, indicated that the Coast Guard could not absorb the additional 500 Reserve spaces because the appropriation bill for the Department of Transportation has already been enacted into law and does not include money for training these additional 500 Reservists.

The House recedes.

TITLE V—MILITARY TRAINING STUDENT LOADS

The Senate bill provided the authorized military training student loads as requested by the Department of Defense. The request by service was as follows:

Army -----	89,200
Navy -----	75,800
Marine Corps -----	28,000
Air Force -----	55,100
Naval Reserve -----	17,400
Marine Reserve -----	6,700

The House version of the bill provided for modest reductions in the training authorization for each of the services which reflects a 10-percent reduction in the undergraduate education programs.

The Senate bill, providing no specified reductions, provided that the training load for each of the services be reduced consistent with any overall reductions in manpower.

The House conferees believe, therefore, that the objective of the House reduction can be accomplished and the House, therefore, recedes.

The Senate bill contained a provision, Section 502, which would repeal the requirement for annual authorization of training loads. As training is an important part of the Defense budget running into billions annually, the House conferees believe that annual review by the Committees on Armed Services is vital and, therefore, adamantly opposed Section 502 of the Senate bill.

The Senate recedes.

TITLE VI—ABM PROGRAM—LIMITATIONS ON DEPLOYMENT

Title VI of the Senate bill contains language identical to that included in last year's authorization prohibiting the initiation of work on deployment of an ABM system in any site other than Grand Forks, North Dakota. As a site around the National Command Authorities would be the only other site consistent with the ABM limitation treaty, and as no such site is planned or requested, the House recedes.

Limitation on title I and title II authorization

The House bill contained a floor amendment providing an overall dollar limitation on the total authorization of Titles I and II of the bill of \$20,455,255,000. The amendment would have effected a \$949.7 million reduction in the total of \$21,395,000 for approved programs in the House bill.

The Senate bill contained no comparable provision.

The intent of the House provision was to limit the fiscal year 1974 authorization to the amount appropriated for fiscal year 1973, plus 4.5 percent for inflation.

The House recedes.

Economic adjustment

The Senate bill contained a separate title, Title VII, adopted as a floor amendment in the Senate, designed to alleviate the impact on communities affected by base closures or curtailment of Defense activi-

ties. The title would have provided an Office of Economic Adjustment in the Department of Defense with a \$50 million authorization to assist communities affected by Defense changes and would have required 180 days' notification of base closures or curtailments together with the requirement for consultation with local communities prior to such actions. The House conferees failed to be convinced of the necessity for such a statutory provision which had not been previously subject to hearings. This is particularly true in view of the fact that the Department of Defense has, since 1963, established regular procedures for assisting communities which may be adversely affected by a base closure action when the community itself requests such departmental assistance.

The Senate, therefore, recedes.

The conferees wish to state that they are sympathetic with the aim of providing adequate notification as far in advance as possible on base closures or curtailment of Defense activities and urge the Department of Defense to improve its procedures in this regard.

Multi-year contracting limitation

The House bill contained a provision prohibiting multi-year contracts unless specifically authorized by Congress when such contracts involve termination charges greater than \$5 million. The provision is similar to language contained in last year's authorization legislation.

The Senate bill contained no comparable provision.

The Senate recedes.

Recomputation of military retired pay

The Senate bill contained a separate title, the intent of which was to provide that military personnel retired prior to January 1, 1972, would have their retired pay recomputed on January 1, 1972, pay scales at age 60 except that those retired for physical disability under the Career Compensation Act of 1949 with 30 percent or greater disability would be able to recompute immediately. The Senate title was adopted as a floor amendment. The House bill contained no comparable provision. Moreover, separate hearings on the matter in the House had recommended against such a provision.

The Senate language was not germane to the House bill.

The Senate recedes.

Study commission

The Senate bill contained a provision to establish the Defense Manpower Commission to conduct an 18-month study on all aspects of military and civilian manpower.

The House bill contained no such provision. The Department of Defense opposed the study on the grounds that sufficient information on manpower is presently furnished to the Congress. The Department was also concerned that the work of the commission could result in the delay of consideration of proposals in the manpower area and that the time authorized, 18 months, was insufficient for a meaningful study.

The House conferees questioned the need for such a commission. However, the Senate conferees were adamant in their view that the impact of manpower on the Defense budget required such a study to be undertaken.

The House, therefore, reluctantly recedes with an amendment setting the life of the commission at 24 months instead of the 18 months initially proposed and limiting the authority of the Commission to studies of Defense manpower.

TITLE IX—GENERAL PROVISIONS

Southeast Asia authorization limitation

The House bill contained a provision, similar to that in last year's bill, providing a limitation of \$1,300,000,000 for the funds authorized for appropriation in this or any other action that may be used to support Vietnamese and other free world forces in support of Vietnamese Forces, local Forces in Laos and related costs during fiscal year 1974.

The Senate reduced the limitation to \$952,000,000.

The conferees agreed on a limitation of \$1,126,000,000.

C-5A

The Senate version of the bill contained restrictive language, similar to that enacted in previous years, relating to the use of funding for the C-5A program.

The House version contained no such restriction. The Senate was again adamant in its insistence that such restrictive language be continued in connection with funding the C-5A program.

The House reluctantly recedes.

Enlisted aides

In approving manpower authorizations for the Department of Defense the House Committee on Armed Services specified in its report that the present total of enlisted aides, 1,722, was excessive and that the number should be reduced to 1,105.

The Senate bill contained a provision, section 1103, which would limit use of enlisted aides to no more than two for four-star officers and no more than one for three-star officers plus one additional aide for the Chiefs of Staff of each service. The Senate provision reduced the limit of aides to 218. The House conferees were able to convince the Senate conferees that the limitation in the Senate bill was too restrictive and that language in the law itself is not required.

The Senate therefore recedes on its language and the conferees agree that the number of enlisted aides shall be limited to a total of no more than 675 with the distribution of authorization for use of such aides among the military departments to be determined by the Secretary of Defense.

Survivor benefits plan

The Senate bill contained an amendment to extend for six months—until March 21, 1974—the time period during which previously retired military personnel may enroll in the Survivor Benefits Plan for retired military personnel enacted by the Congress as Public Law 92-425 on September 21, 1972.

The House recedes.

Chemical warfare study

The Senate bill contained a provision, section 1104, calling for a study by the National Academy of Science on the most effective

method of eliminating chemical warfare agents. The House bill contained no comparable provision. The House conferees pointed out to the Senate conferees that the hearings on the matter have recently been conducted by a subcommittee of the House Committee on Armed Services.

The Senate recedes.

Aerial acrobatic demonstrations outside the United States

The Senate bill contained a provision prohibiting demonstrations outside the United States by military aerial acrobatic teams.

The House bill contained no such provision. The Senate amendment was not germane to the House bill.

While the House conferees agreed that overseas performances of such military teams should be used sparingly and only in those instances where it is clearly in the best interests of the United States, the House opposes an outright legal prohibition as inadvisable.

The Senate recedes.

Prohibition of U.S. combat activities in Southeast Asia

The Senate bill contained a provision, Section 1107, providing a restatement of the total prohibition of funding of U.S. military activities in, over or from off the shores of Indochina without the express consent of the Congress.

Since the amendment continues language presently in law and is consistent with the policy decision previously made by the Congress, the House recedes.

Limitation on advance payment to contractors

The Senate bill contained a provision, Section 1108, providing a limitation of \$20 million on advance payment that may be made to a defense contractor without prior congressional approval. While the House conferees were sympathetic to the purposes of the amendment, they were concerned that the language was unduly restrictive and could result in delays on important weapons programs.

The conferees, therefore, agreed to amend the language of the section to provide a 60-day notice to the Congress prior to advance payments in excess of \$25 million, with either House having the option to reject a proposed advance within the prescribed 60 days.

The House recedes.

AWACS funds study

The Senate bill contained a provision, section 1109, prohibiting release of long leadtime funding for the AWACS program until completion of a cost-effectiveness study by the Comptroller General. The House bill contained no comparable provision.

The Senate recedes.

National Industrial Reserve Act

The Senate bill contained a provision, section 1110, which provides for the phase out of the National Industrial Reserve and its replacement with the Defense Industrial Reserve. The amendment would consolidate defense industrial equipment reserves and would authorize continuation of the "Tools for Schools Program."

The House recedes.

Petroleum conservation

The Senate bill contained two provisions relating to conservation of petroleum. Section 1111 was a sense of Congress statement that the Department of Defense should make every effort to conserve important petroleum resources. Section 1114 would declare the sense of Congress that the Department of Defense should implement a 10 percent reduction of its consumption of petroleum products except where such reduction would adversely affect the national security or essential training exercises.

The House conferees concurred in the spirit of these provisions and found the second more desirable.

The Senate therefore recedes on the first provision and the House recedes on the latter.

U.S. forces in NATO

The Senate bill contained two provisions concerning the deployment of U.S. forces in NATO. Title X of the original version of the Senate bill would have required a continuing study of U.S. NATO forces, with semi-annual reports to Congress, looking towards an eventual reduction of U.S. troops in Europe. The provision contained some language which, while not objectionable to the House conferees, was considered unnecessary since it called for actions presently taking place, such as Mutual and Balanced Force Reduction negotiations with the Warsaw Pact.

The Senate recedes.

The House bill contained, as previously indicated, a provision requiring review of the NATO commitment by the Armed Services Committee with a report back to the House by April 1, 1974. The provision was adopted by the House in conjunction with its rejection of proposals for specific reductions in U.S. deployments in support of NATO. The House language places no requirement on the Senate, and Senate conferees, therefore, did not object to its retention in the bill.

The Senate bill also contained a provision, Section 1116, calling for the President to seek payment from our NATO allies in amounts sufficient to offset any balance-of-payments deficit incurred by the United States as a result of deployment of troops in Europe to fulfill NATO commitments. The balance-of-payments deficit was to be determined by the General Accounting Office. The provision further specified that if NATO allies failed to offset the balance-of-payments deficit within 12 months after enactment, then beginning 6 months thereafter U.S. forces in Europe would be reduced at a rate corresponding to the percentage of balance-of-payments deficit not offset. The provision also states as a finding of Congress that other members of NATO should assist the United States in meeting expenses in connection with its deployment to Europe.

The Department of Defense opposed the Senate provision.

The conferees are persuaded that a strong North Atlantic Treaty Organization is vital to our national security and to the stability of the peace in Europe. We remain convinced, moreover, that a significant American presence in Europe is essential to a strong and cohesive NATO. It is our belief, however, that a more equitable sharing of the

burden of maintaining an adequate American presence in Europe, particularly an alliance-wide effort to offset the drain on the balance of payments of the United States, can and must be negotiated among the members of the alliance if continued public support for maintaining this presence is to be assured. We believe there should be no further delay in moving to negotiate appropriate bilateral and multilateral arrangements sufficient to offset fully the balance of payments deficit incurred by the United States as a result of the deployment of forces in Europe in fulfillment of the treaty commitments and obligations of the United States.

The conferees believe that the principal objection of Members of both Houses of Congress to the stationing of American forces in Europe has been the adverse impact on our balance of payments—an adverse impact that has been especially objectionable in view of the strength of the currencies of some of our NATO allies, the recurring weakness of the U.S. dollar in relation to some of those currencies, and the large dollar holdings accumulated in West Europe. Thus we believe that a solution to the balance of payments problem will serve to place the continuing American presence in Europe on a more stable foundation.

The proposition that burden-sharing within the NATO alliance could most appropriately be equalized by protecting the United States against a balance-of-payments deficit in connection with its NATO deployment was first stated by the Special Subcommittee on NATO Commitments of the House Committee on Armed Services in a report filed on August 17, 1972. Specifically, that subcommittee recommended a Common NATO Fund as a balance-of-payments clearinghouse for the alliance.

The House Committee on Armed Services, in its report accompanying the present bill, H.R. 9286, expressed its support for the Common NATO Fund proposal as the most desirable means of relieving the United States of an unfair share of the financial burden of NATO. Such an adjustment would be the form of burden-sharing that would benefit the United States most and would do so without weakening the alliance militarily. The committee noted that the Secretary of Defense has, in recent months, also proposed that our NATO allies develop some sort of multilateral program to compensate the United States for its heavy expenses attendant on its NATO deployment.

The House conferees, therefore, were sympathetic to the balance-of-payments approach to rectifying NATO burden-sharing.

However, the House conferees were concerned about providing too short a time frame for required action on such a complex matter and questioned the manner in which the balance-of-payments deficit is determined. The House conferees also questioned whether the time constraints in the Senate language would provide adequate time for necessary consultations with our allies.

The Senate conferees, however, were steadfast in maintaining the Senate position and insisted inclusion of the provision was a minimum requirement for support of the bill.

The conferees, therefore, agreed to the amended version of the provision included in the conference report.

As amended by the conference, the section provides that the balance-of-payments deficit relating to troop deployments shall be determined

by the Secretary of Commerce, in consultation with the Secretary of Defense and the Comptroller General. The conferees agree that this provision will permit all concerned agencies an opportunity to be represented. The new language also provides for an expiration of 18 months, instead of 12 months, during which the other members of NATO will have an opportunity to commence offsetting the U.S. balance-of-payments deficit relating to the U.S. troop deployments, and the expiration of 24 months, instead of 18 months, before the United States would begin to make reductions if the balance-of-payments deficit is not offset. In agreeing to extend the time by six months, it was the intention of the Senate conferees to provide a slightly more relaxed period for negotiations.

In acceding to this amended version of the Senate provision, the House conferees wish to stress that this action on their part is taken with an awareness of the forthcoming study ordered by the House, as provided elsewhere in the bill. Upon the completion of that study, the House will be in a position to reanalyze the necessity for this provision and undoubtedly will do so during next year's authorization review.

As far as subsection (c) is concerned, the conferees believe that a vigorous effort must be made to negotiate a more equitable sharing of the cost burden under the North Atlantic Treaty Organization.

The House reluctantly recedes.

Senate youth program

The Senate bill contained an amendment authorizing and directing the Defense Department to provide escort, briefing, useable organizations and other support to the Senate Youth Program. The House bill contained no comparable provision. The provision is not germane to the House bill.

The Senate recedes.

Air Force Reserve and Air National Guard study

The Senate bill contained a provision, Section 1113, calling for a comprehensive study of the Air Force Reserve and Air National Guard with the detailed report to the President and the Congress not later than January 1, 1975.

The House bill contained no similar provision.

The House conferees opposed any action that would be taken as implications of support for a merger of the Air Guard and Air Reserve. However, a comprehensive study of the Guard and Reserve is presently underway under the auspices of the Secretary of Defense. The House conferees agreed to the advisability of the results of such a study being made available to the Congress and, therefore, were prepared to recede to the Senate provision with clarifying language indicating that the study was designed to determine the relative status of the Air Reserve and Air National Guard with attention given to modernization needs of the Air Guard and Air Reserve and to the recruitment, retention and training needs of both organizations.

The House recedes with the amendments noted.

Retiring-employee suggestions

The Senate bill contained a provision, Section 1115, directing the Department of Defense to request retiring employees to make suggestions on procurement practices.

The provision is not germane to the House bill.
The Senate recedes.

Buy American

The House bill contained a provision, section 606, which was adopted as a floor amendment and which would provide for consideration of a series of factors prior to the procurement of any goods or supplies for the Department of Defense from other than American firms. The Senate bill contained a comparable provision, Section 1117, which prohibits procurement of other than American goods unless consideration has been given to labor-surplus areas, small businesses, U.S. balance of payments, cost of shipping, foreign duties and other related factors.

The Department of Defense advised against enactment of either amendment but found the language of the Senate provision more acceptable.

The conferees agreed to accept the language of the Senate amendment.

The House recedes.

Mast

The Senate bill contained language to authorize the Secretary of Defense to provide medical emergency helicopter transportation for civilians.

The House bill contained no such language. However, the language in the Senate provision is identical to H.R. 7139, passed by the House of Representatives on May 21, 1973.

The House, therefore, recedes.

Reduction of overseas deployments

The Senate bill contained a provision, section 1119, adopted as a floor amendment, which would have required a reduction of 110,000 in the number of U.S. troops deployed overseas by December 31, 1975 with not less than 40,000 of the reductions to be made by June 30, 1974. No comparable provision was contained in the House bill, and the Department of Defense strongly opposed the provision.

The Senate conferees pressed for adoption of their amendment. However, the House conferees were concerned about the effect that the amendment might have on troop-reduction negotiations in Europe and on the strategic position of the United States under the present particularly tense world conditions. The House conferees were adamant in their opposition to the amendment.

The Senate reluctantly recedes.

Quarters-allowance study

The Senate bill contained a provision, Section 1120, requiring a Department of Defense study of quarters and cost-of-living allowances.

The House bill contained no such provision. The House conferees objected to the provision as unnecessary since adequate attention to such allowances is already provided for in departmental review of pay and allowances now required by law.

The Senate recedes.

Rickover

The Senate bill contained a provision for the promotion of Vice Admiral Rickover to the rank of admiral on the retired list.

The House bill contained no such provision. However, the provision is identical to the language of H.R. 1717 which passed the House of Representatives on January 19, 1973. This provision places him in the same position as others retired at four-star rank.

The House recesses.

Extension of transfer authority for Israel

The Senate bill contained a provision continuing until December 31, 1975, the authority of the President to transfer to Israel by sale, credit sale, or guaranty aircraft and related equipment. This provision, presently in law, would extend the authority until December 31, 1975.

The House recesses.

Prohibition on aid to North Vietnam

The House bill contained a provision, Section 602, prohibiting direct or indirect use of funds in this or any other legislation for any economic or military aid to North Vietnam during fiscal year 1974.

The Senate bill contained an alternative provision prohibiting the use of any funds for support of North Vietnam or the Viet Cong until the President has certified that the parties have complied with the sections of the peace treaty concerning an accounting for American personnel missing in action or killed in action.

The conferees agreed that the House provision more appropriately expressed the will of the Congress in regard to aid to North Vietnam.

The Senate recesses with an amendment deleting the limitation which confined the prohibition to fiscal year 1974.

Military law-officer training

The Senate bill contained a provision, Section 1124, authorizing up to 25 officers for each military department each year to be trained at an accredited law school.

The House bill contained no such provision. The Department of Defense strongly supports the Senate provision, stating that it would materially assist in providing adequate numbers of military lawyers.

The House recesses.

India loan settlement

The Senate bill contained a provision, Section 1125, prohibiting the settlement of the loan that the Government of India has with the United States at less than the full amount owed unless a lower settlement is authorized by the Congress.

The House bill contained no comparable provision. The provision is not germane to the House bill.

The Senate recesses.

Early release of military doctors

The Senate bill contained a provision, Section 1126, which would have authorized the early release of military physicians and dentists to practice in communities with a shortage of medical personnel.

The House bill contained no comparable provision. The House conferees oppose the provision because of the shortage of physicians and dentists in the Armed Forces and the continuing difficulty that the Armed Forces face in attracting and retaining an adequate number of medical personnel.

The Senate recesses.

Public Health Service hospitals

The Senate bill contained a provision, Section 1127, which, in effect, requires that 8 Public Health Service hospitals which had been scheduled for closing by the Administration be continued in operation.

The House bill contained no similar provision.

The conferees noted that 26.4 percent of the hospitals' in-patients in fiscal 1973 were active-duty or retired military personnel and dependents. The hospitals, therefore, have a relationship to the quality of medical care provided to military personnel.

Separate legislation passed earlier by the Congress, S. 504, was vetoed by the President. The attempt to override the veto failed in the House by only 5 votes. It was the belief of the House conferees, therefore, that the amendment is consistent with the position of the majority of the membership of the House.

The House recedes.

SUMMARY

The bill, as agreed to in conference, totals \$21,299,520,000.

The figure arrived at by the conferees is \$659,680,000 less than the amount requested by the Department of Defense.

JOHN C. STENNIS,
STUART SYMINGTON,
HENRY M. JACKSON,
HOWARD W. CANNON,
THOMAS J. MCINTYRE,
HARRY F. BYRD, Jr.,
STROM THURMOND,
JOHN TOWER,
PETER H. DOMINICK,
BARRY GOLDWATER

Managers on the Part of the Senate.

F. EDW. HÉBERT,
MELVIN PRICE,
O. C. FISHER,
CHARLES E. BENNETT,
SAMUEL STRATTON,
WILLIAM G. BRAY,
L. C. ARENDS,
CHARLES S. GUBSER,

Managers on the Part of the House.

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